

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

TTAB

HVL CYBERWEB SOLUTIONS, INC.

Opposer:

Trademark: **PETER NORTH**

Opposition No: 91175589

Int'l Class: 41

vs.

App Serial No: 78/851360

Filing Date: March 31, 2006

ALDEN J. BROWN

Applicant.

**REPLY BRIEF IN SUPPORT OF MOTION TO DISMISS FOR FAILURE TO
STATE A CLAIM AND FOR FAILURE TO ESTABLISH STANDING AND
MOTION FOR STAY**

Trademark Trial and Appeal Board
U.S. Patent and Trademark Office
P.O. Box 1451
Alexandria, VA 22313-1451

Introduction

The opposer, HVL Cyberweb Solutions, Inc. (hereinafter "HVL" or "Opposer") brought an opposition proceeding against the applicant, Alden Brown, (hereinafter "Brown" or "Applicant") on February 9, 2007 challenging the right of Brown to register the mark "PETER NORTH" in relationship to entertainment services.



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On March 31, 2007 (under a certificate of mailing) the applicant filed a motion to dismiss the opposition on the grounds that the opposer failed to state a claim on which registration could be refused and for failing to provide adequate grounds to establish standing. In response to the motion, on April 11, 2007 the TTAB issued an order suspending proceedings until the disposition of the applicant's motion to dismiss. In the order, it is noted that: "Any paper filed during the pendency of this motion which is not relevant thereto will be given no consideration. See Trademark Rule 2.127(d)."

On April 20, 2007 the opposer filed a "FIRST AMENDED NOTICE OF OPPOSITION" to the registration. In the motion, there is no mention or acknowledgement of the applicant's previously filed motion to dismiss or the order of the TTAB. In fact, the amended motion of opposition does not reference or acknowledge the Board's order suspending proceedings until disposition of the motion to dismiss or the applicability of Trademark Rule 2.127(d), which would appear to prohibit the acceptance of an amended notice of opposition in the interim.

ARGUMENTS

1. HVL's Amended Motion to Oppose should not be Accepted

The opposer's amended motion to oppose was submitted contrary to the Trademark Rules and the order of this Board. As Trademark Rule 2.127(d) provides, in part: *"(d) When any party files a motion to dismiss, or a motion for judgment on the pleadings, or a motion for summary judgment, or any other motion which is potentially dispositive of a proceeding, the case will be suspended by the Trademark Trial and Appeal Board with respect to all matters not germane to the motion and no party should file any paper which is not germane to the motion except as otherwise specified in the Board's suspension order."*

The Board's suspension order was quite explicit that NO consideration is to be given to any paper which is not related to the motion to dismiss. On its face, the opposer's Amended Motion to Oppose is not germane nor does it provide in any manner a response to the applicant's Motion to Dismiss. As such, the opposer's Amended Motion to Oppose should not be considered part of the record at this point in time.

2. The Failure of Opposer to Address the Motion to Dismiss, should Lead to a Finding the Motion is Conceded.

Trademark Rule 2.127(a) provides, in part: *"When a party fails to file a brief in response to a motion, the Board may treat the motion as conceded."* This rule is reiterated by TBMP §502.04.

The applicant is deserving of an expedient decision regarding his right to register the mark in this instance. The opposer's failure to address the applicant's Motion to Dismiss and in fact to completely disregard its existence and the Board's orders regarding it should not result in any inconvenience or delay to the applicant. The failure by the opposer to address the salient points and legal principles as outlined in the applicant's Motion to Dismiss should, in this instance where there is no indication that the opposer failed to receive the motion and/or the notice from the Board suspending the acceptance of non-responsive papers, should lead this Board to conclude that the arguments advanced in the Motion to Dismiss are conceded. Thus, the arguments advanced and requests made in the applicant's Motion to Dismiss should be treated as conceded in keeping with the Board's authority under Trademark Rule 2.127(d); TBMP §502.04.

3. Argument in the Alternative (to a Holding that the Motion is Conceded)

(As the Board is not bound to accept the finding that the opposer's failure to file a response to the motion to dismiss serves as a concession to its contents, the applicant would advance the following argument in the alternative.)

(a) The Bulk of the Opposer's Claims Lie Outside the Jurisdiction of the TTAB

As this Board has noted in its previous holding in *Carano v. Vina Concha Y Toro S.A.*, 67 USPQ2d 1149, citing the ruling in *Knickerbocker Toy Co. v. Faultless Starch*

Co., 467 F.2d 501, 175 USPQ 417 (CCPA 1972) the Board is generally limited to regarding issues outside of the of the presumptively valid statutory grounds for refusing registration only to the extent necessary to determine questions of trademark registration. As is noted in the TBMP §102.01 the Board is empowered to determine only the right to register under Sections 17, 18, 20 and 24 of the Lanham Act, 15 U.S.C. §§ 1067, 1068, 1070 and 1092. Further the Board is not authorized to determine the right to use, nor may it decide broader questions of infringement or unfair competition. TMBP § 102.01, citing *Person's Co. v. Christman*, 900 F.2d 1565, 14 USPQ2d 1477, 1481 (Fed. Cir. 1990); *Ross v. Analytical Technology, Inc.*, 51 USPQ2d 1269, 1270 n.2 (TTAB 1999); and *Hershey Foods Corp. v. Cerreta*, 195 USPQ 246, 252 (TTAB 1977) amongst others

The opposer has raised, as one of its claims of opposition to register, the existence of a non-exclusive license to use the trademark "Peter North" it holds through a negotiated agreement from the applicant. Furthermore, it has claimed that certain disputes arising under that non-exclusive license should serve as the basis for this Board to refuse registration of the mark in question. This argument is frivolous and not supported by a single legal authority advanced by the opposer. On the other hand, the record, as established in the immediate paragraph above, advancing the applicant's arguments as to why the opposer's claim does not meet the legal threshold required to form a valid basis for refusal to register and why there is no legally proscribed authority given to the TTAB to even acquire jurisdiction over the subject matter is quite clear and convincing. This is a commonly known and well accepted principle and is applicable in

this instance. As such, any claims made by the opposer to the registration of the mark on this basis, fail as a matter of law.

(b) Likelihood of Confusion Requires Priority of Use on the Part of the Opposer

The opposer has claimed in its opposition that the registration of the mark by the applicant would result in likelihood of confusion, however, at no time as the opposer asserted that it has priority of use. In fact, the record clearly shows that the opposer, by their own admission, is a controlled licensee of the applicant and begun use of the mark under that license many years after the applicant first made use of the mark in relationship to entertainment services.

Without asserting priority of use, and later proving it, the opposer cannot possibly sustain a claim of likelihood of confusion, under the applicable provisions of *King Candy Co., Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ (CCPA 1974)' *Herbko Internataional Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002); *Golomb v. Wadsworth*, 592 F.2d 1184, 201 USPQ 200, 201 (CCPA, 1979); and *Jimlar Corporation v. The Army and Air Force Exchange Service*, 24 USPQ2d 1216 (TTAB 1992).

The Notice of Opposition, filed by HVL clearly asserts that they are a licensee of the applicant and their use commenced after that of the applicant. Thus, it is impossible as a matter of fact and law for the opposer to establish the necessary element of priority, when their use did not begin until after that of the applicant.

Opposer's claim that their use of the mark creates a situation where there exists a likelihood of confusion with the applicant's is completely frivolous and simply defies common sense. If such a situation exists (likelihood of confusion) given that the applicant is the prior user of the mark, and has not in any manner abandoned the use of the mark, and the opposer only has rights, if any, through its non-exclusive license from the applicant, any such confusion would have to be resolved in favor of the applicant as the prior user and owner of the mark.

(c) Opposer has No Rights in Mark Except for Those Under the License

The opposer has not asserted any rights in the mark, except for those it claims it holds under the non-exclusive license from the applicant. As is well established in trademark law, the mere licensee is not an "owner" of the underlying mark and any and all of its usage of said mark under the license inures to the benefit of the owner/licensor of the mark. *"Where a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration, provided such mark is not used in such manner as to deceive the public."* Section 5 of the Lanham Act (15 U.S.C. §1055)

This concept is so well established that the TMEP even notes that the Trademark Office accepts such applications, *"The Office accepts applications by parties who claim to be owners of marks through use by controlled licensees, pursuant to a contract or agreement."* TMEP §1201.03(f)

4. Argument in Response to Allegation of Fraud in Opposer's Amended Notice of Opposition (In the Alternative)

Without withdrawing its objection to the opposer's filing of an amended notice of opposition, the applicant wishes to address the claims of "fraud" contained therein as a part of its argument in the alternative.

The opposer has amended its notice of opposition to claim that the applicant Brown "...acts fraudulently and in bad faith by using the trademark office's registration process to circumvent the perpetual license granted to HVL by virtue of the Agreement." Furthermore, the opposer asserts in the paragraphs numbered 14-16 of its amended Notice of Opposition, that the applicant is committing fraud by claiming ownership of the mark in the application and in the assertion that no others have the right to use the mark "Peter North." The opposer asserts that somehow this representation constitutes a "fraud" on his part and the applicant's attempt to register the mark "Peter North with the U.S. Patent & Trademark Office "...is part of his common scheme to defraud HVL, and to divest HVL of its rights under the Agreement."

As part of this argument, opposer seems to claim that their right to use the mark, which was acquired under a non-exclusive license, will somehow become invalid if the mark is registered. This position is simply absurd. The right to register the mark has absolutely no direct bearing on the validity or invalidity of any licensing agreement relating to that mark. Secondly, the applicant is entitled as a matter of law to claim any usage on the part of a controlled licensee as his own. If the opposer had bothered to read the statutes and the case law in this area, these facts would have been well known by them. Instead, they appear to attempt to muddy up the waters and cast aspersions on the

applicant by including a claim of fraud in their amended Notice of Opposition, in addition to once again asking this Board to make determinations about the validity of an agreement which is clearly outside its jurisdiction. Perhaps the opposer's attention can be directed one more time to this provision of the Trademark Manual of Examining Procedure: TMEP §1201.03(f) "*The Office accepts applications by parties who claim to be owners of marks through use by controlled licensees, pursuant to a contract or agreement. Pneutek, Inc. v. Scherr, 211 USPQ 824, 833 (TTAB 1981).*"

Clearly, under the statutory provisions of the Lanham Act, Sections 5 & 45, the applicant as the owner of the mark is entitled to make use of the mark through controlled licensees. He is further authorized to claim that usage as his own as an acknowledgement that all such usage by a controlled licensee inures completely to his benefit. It is also just as clear that a licensee has no independent rights in the mark outside of the license and no matter how long or extensive its usage of the mark by be under the terms and conditions of the agreement it obtains no independent rights in the mark by its usage under that agreement. Lanham Act Sections 5 & 45, 15 U.S.C. §1055 & 15 U.S.C. §1127 and TMEP §1201.03(f) establish the right of the applicant to make use of the mark through controlled licensees and to register the mark under such circumstances.

Thus, any claims by the applicant Brown in the application relating to ownership and the right to register are completely lawful and do not in any shape, form or fashion constitute any element of fraud. The argument to the contrary by the opposer is simply frivolous as it is completely unsupported by law and should not be given any consideration for those reasons. Further, the opposer seems to be working under a very mistaken impression that the registration of a trademark serves in any manner to interrupt

or severe any licensing agreements it may have with 3rd parties. Again, this claim is frivolous as it is completely unsupported by law and should not be given any consideration by this Board. The questions surrounding the validity of the licensing agreement between the applicant and opposer currently being litigated in the State Courts of California are completely unrelated to the question of the right of the applicant to register its trademark with the U.S Patent & Trademark Office. In fact, these claims appear to serve absolutely no purpose in regard to establishing a valid basis for opposition but only seem to serve as a sounding board for the opposer to make unsupported claims casting aspersions upon the applicant and to accuse him of fraudulent conduct.

5. Opposer has Failed to Establish a Valid Ground for Opposition

The opposer, in order to sustain an opposition, must assert and prove a "valid ground" for denying registration. However, in order to constitute a "valid ground" the ground asserted must be a "*statutory ground which negates the appellant's (applicant's) right to the subject registration.*" *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752(Fed. Cir. 1998).

The opposer has only asserted 3 grounds as its basis for opposing registration and only two of those appear to be sufficiently related to a statutory ground to be considered by this Board. The first ground concerning the dispute between the two parties in relationship to their licensing agreement are clearly outside the jurisdiction of this Board and do not in any manner relate to any of the "statutory" grounds for refusal of registration in the Lanham Act itself.

Of the two remaining, the only one specifically grounded in the statute appears to be the opposer's claim that registration of the mark "Peter North" by the applicant would result in confusion under Section 2(d) of the Act. However, the applicant has by its failure to even assert a claim of priority, and through its recognition of the fact that the applicant was a prior user by means of taking a "non-exclusive license" from him, clearly cannot establish priority of use to sustain such a claim. As a matter of law, the claim of Likelihood of Confusion under Section 2(d) of the act, even assuming arguendo it exists, would have to be resolved in favor of the prior user of the mark. By the information provided in the opposer's own Notice of Opposition, as a factual matter, the prior user of the mark is the applicant in this instance. Thus, the opposer's claims in its opposition in regard to Likelihood of Confusion cannot be resolved in favor of opposer as a matter of law and fact and must be dismissed and/or resolved in favor of the applicant.

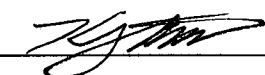
The third claim is related to the applicant's general claims of ownership of the mark and the allegation of "fraud" in the assertion of such ownership on the part of the applicant. This claim is downright frivolous as it is likewise not supported by the facts or the law. The applicant has the absolute right to make use of the mark through controlled licensees and to treat and claim that usage as his own as has been established through the Lanham Act itself and the long line of court cases cited herein and in the original Motion to Dismiss. The allegation of fraud in the application cannot be sustained as the applicant has not made any fraudulent claims in the application and the opposer has failed to provide any legally cognizable assertions to the contrary.

CONCLUSION

Applicant Brown, respectfully requests dismissal of all the allegations of HVL's
Notice of Opposition with prejudice, for the reasons stated above.

Respectfully submitted,

By


Kevin P. Steinman, Esq.
Vip Bhola, Esq.
Law Offices of Vip Bhola
5429 Cahuenga Blvd.
North Hollywood, CA 91601
(818) 508 1500

CERTIFICATE OF SERVICE

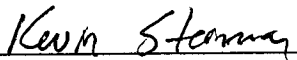
The undersigned hereby certifies that a true and accurate copy of the foregoing
was served via first class mail to:

Allison G. Vasquez, Esq
Waller, Lansden, Dortch & Davis, LLP
520 South Grand Avenue, Suite 800
Los Angeles, CA 90071

On the 10th day of May, 2007.

CERTIFICATE OF MAILING

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